



DOWNTOWN COMMISSION AGENDA REPORT

DATE: March 18, 2013

AGENDA OF: March 28, 2013

DEPARTMENT: Public Works

SUBJECT: Cedar/Cathcart Parking Structure – Update

RECOMMENDATION: Discussion Item

INTRODUCTION: At the September 2012 Downtown Commission (DTC) meeting, Commissioners requested an update on the history and status of the Cedar/Carthcart Parking Structure. Because the planning, design, and construction of a new parking facility will span several or more years, if the City intends to meet future needs with more supply in a timely manner, early planning is crucial. Also, during construction of a structure, existing parking at whatever site is chosen will be inaccessible during the process.

Although the original planning for the next downtown parking structure started a decade ago, efforts were put on hold in 2008 with rising vacancy rates, declining parking demand, and declining revenues. An appropriate first step for reopening the discussion is to verify that the original assumptions and baseline calculations that the parking supply model is built upon are still accurate and appropriate for how we forecast future demand.

The existing model shows the Downtown Parking District move from a slight surplus to nearly balanced (if all buildings are 100% occupied). With three pending, un-built projects approved by this Commission, the model indicates that the parking surplus is now at just 22 spaces, and that at General Plan build-out the District will be deficient by 700 spaces with most of the new demand located in the southern end (as that is where there is the most development potential). Furthermore, the District leases 150 spaces in three lots and ultimately does not control the long term use of those lots.

BACKGROUND: The development of a parking structure project at Cedar and Cathcart was culmination and was shaped by two main studies: Front and Cedar Street Assessment (2002), and; Cedar/Church – Cedar/Cathcart Feasibility Parking Structure Study (2004).

The Front and Cedar Street Assessment analyzed the possibility of consolidating several parking lots along Cedar Street and facilitating mixed use projects on the vacated lots. One of the concept drawings from that study is included as Attachment 1.

The 2004 feasibility study analyzed the cost of building the next downtown parking structure at two locations: the current Cedar/Church garage (Lot3) and the Cedar/Cathcart surface lot.

After discussing the two sites' comparative costs and the current parking need in the southern portion of Downtown, Staff recommended to the Downtown Commission that Cedar/Cathcart be the preferred site.

A Work Program for the new structure was developed by a subcommittee of the Downtown Commission, and was approved by City Council on April 26, 2005. The City Council also requested an informational report (FYI) from Staff containing further analysis on including a roof top housing component on the new garage. Rooftop housing is not recommended and is no longer being considered because the analysis showed a clear value advantage to building only the Cedar Street housing component, and because adding the roof top housing would eliminate the possibility of an Economic Development Grant.

The Cedar/Cathcart Garage Work Program identified the first primary task to be the creation of a task force to study the project's costs, required revenues, and financing options. The Cedar/Cathcart Garage Financing Task Force (CCGFTF) was created and began meeting in July of 2006. Final recommendations were approved by the task force on August 28, 2007. The Work Program stipulated that staff return to Council with CCGFTF recommendations prior to moving on to the next phase.

The Downtown Commission (DTC) considered the CCGFTF recommendations and Staff input on the options of funding a new parking structure on March 13, March 27, April 10, and at a joint study session with City Council on May 6, 2008. At the May 6 study session, Staff was given direction to begin the design/development process for the new structure, and Staff subsequently developed the Request for Qualifications (RFQ). The RFQ for design services was approved by the Commission on June 19 but was not approved by the Council at its July 8, 2008 meeting. The Council wanted to confirm that the Commission would approve the project in concept prior to Council approval and return of the item to a September Council agenda. Due to the impending City budget deficit, severe economic downturn, and staff furloughs, City Council deferred revisiting the issue.

Financing Plan Options

Two primary changes resulting from direction at the study session are: 1) not selling Lots 8 and 9; and 2) probably not constructing a basement. City Council directed staff to "Base the potential inclusion and depth of a basement level on engineering findings about ground water and staff analysis." These two recent changes require us to look at the financing considerations in a new light. The study session also included discussion of free parking, deficiency fee increase and ED/RDA funding (not currently an option), but no direction was given on amounts.

Following the study session, several changes took place due to the ongoing economic situation. Lot 3 (the two-story structure on Cedar between Church and Walnut), was approved for conversion to paid parking in order to increase customer supply at this core location while discouraging employee parking, to enable longer visitor stays, and to offset declining parking revenues. Permit holders from Lot 3 were moved to Lot 5 (Calvary Church) and Lot 5 was converted from \$1.00 all-day parking to 50-cent\per hourly parking. Subsequently, City Council approved converting Lot 4 (along Cedar between Cathcart and Lincoln), and now Lot 10 (River/Front Garage) to paid parking. Also, since 2008 the District has taken on additional security and maintenance costs and duties as well as funding a Deficiency Fee reduction and incentive for new and existing businesses downtown.

SUBJECT: Cedar/Cathcart Update Report

DATE: March 28, 2013

PAGE: 3

Given the above noted changes and the ongoing economic situation, the matrix developed in 2008 needs re-working. An additional on-going funding source must be developed in order to bond for a new structure. The District's primary funding sources are on-demand usage fees, permit fees, and deficiency fees. New revenue will have to come from some combination of price increases among these sources, and potentially converting more free parking to paid parking. This conversion will require analysis, design, equipment installation, and modifications that will likely take 8-10 months to complete.

To further complicate the issue, traditional urban parking policies are being questioned and in some cities, overhauled. Fortunately, the district is ahead of the curve on this issue with a host of Transportation Demand Management (TDM) programs, a "shared" parking model with greatly reduced parking requirements, a transit center located in the district, and bicycling infrastructure such as bike lanes on all the major thoroughfares serving the district and state of the art on-demand bike lockers. But even with all of that, Staff believes that in order to move forward on a new structure, some portion of the future demand will need to be addressed through 'parking conservation', in effect, reducing demand. Finding the right mix of project and program to ensure a vital downtown for both residential and commercial use could be a smart first step towards getting a structure back on track. Updating the downtown Shared Parking Model is the first step in that direction.

Staff has added funding to the FY 14 Operating Budget for updating the shared parking model. We will prepare the RFP/RFQ for consultant services, advertise, review and rank consultants and anticipate being ready to award by the start of the fiscal year in July. The model update should take no longer than three months to complete and will return to the Downtown Commission upon completion.

Report prepared and submitted by James Burr, Transportation Manager.

Attachments:

Cedar Street Garage and Surface Lot Consolidation - Concept Plan